

2011  
HAWAII



# PORK REPORT

YOUR TAX DOLLAR\$ WASTED!



The Book  
Hawaii's Government  
DOESN'T  
Want YOU to Read



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# 2011 HAWAII

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# PORK REPORT



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# GRASSROOT INSTITUTE OF HAWAII

Grassroot Institute of Hawaii is a nonprofit, nonpartisan research institute dedicated to the principles of individual liberty, the free market and limited, accountable government. Through research papers, policy briefings, commentaries and conferences, the Institute seeks to educate and inform Hawaii's policy makers, news media, and general public.

Committed to its independence, the Grassroot Institute of Hawaii neither seeks nor accepts government funding. The institute is a 501(c)(3) organization that enjoys the tax-deductible support of individuals, foundations, and businesses sharing a concern for Hawaii's future and an appreciation of the role of sound ideas and more informed choices.



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# INTRODUCTION

There has been a whirlwind of activity in the State Legislature this past year as officials have struggled to balance the budget as mandated by law. As of our print date, official government estimates now identify Hawaii's budget crisis as an astonishing \$1.3 billion shortfall over the next two years, comprising 11 percent of the state's total revenues.

Hawaii's Employee Retirement System faces \$9 billion in unfunded liabilities, joining states around the nation in the growing pension crisis. Currently, the state is contemplating lowering the predicted average return of 8 percent to 7.75 percent on the fund's \$10 billion in assets. This is despite the fact that it has averaged only a 3 percent rate of return in the last decade.

Lawmakers have been frantically searching for ways to cut spending and increase revenues, and have introduced a plethora of bills

in a desperate bid to increase state finances.

Unfortunately, the Legislature seems to believe we can tax our way out of this fiscal crisis,

yet as tax rates go up, tax revenues

actually go down--as evidenced by February's "surprisingly low" tax collections.

The Democratic-led Legislature approved \$600 million in new tax revenues to be funded by ending GET tax exemptions, repealing income tax deductions, increasing motor vehicle registration fees and weight taxes as well as rental car fees, and increasing taxes on high income earners among many other proposed tax hikes.

Cuts proposed have included a 5 percent pay cut for the Hawaii Government Employee's Association--but also a reduction in working hours. Less work for less pay is nothing more than the infamous furlough returning in sheep's clothing.

Every year the state increases its expenditures, and then scrambles to find the revenue to support those expenditures, which makes Hawaii the most expensive state in the nation to live. The high cost of living



coupled with the high tax rate gives Hawaii an adjusted average income of only \$22,107.

We believe that Hawaii can't tax its way to prosperity. Citizens

must demand more accountable government from their state officials, while legislators must cut unnecessary spending and provide real solutions instead of quick-fixes to the budget crisis.

The Grassroot Institute of Hawaii presents the 2011 Pork Report as the catalyst for more transparent, accountable government. A culture of individual responsibility will only lead to greater freedom and liberty for all.

The Grassroot Institute of Hawaii was founded in 2011 and is the state's only free-

market think tank. The Institute's mission is to engage Hawaii's citizens in advancing individual liberty, the free market, and limited accountable government. Through research papers, policy briefings, commentaries and conferences, the Institute seeks to educate and inform Hawaii policy-makers, news media, and the general public. For more information, visit [www.grassrootinstitute.org](http://www.grassrootinstitute.org).

Grassroot Institute of Hawaii thanks Citizens Against Government Waste for motivating and inspiring us to produce Hawaii's pork report. CAGW produces the Congressional Pig Book, an annual exposé of pork-barrel spending in the federal appropriations bills.

For more information, visit [www.cagw.org](http://www.cagw.org).





# **BUDGET AND TAXES**

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## Taxed to the Max

Hawaii is no doubt a tropical paradise, but rest assured it cost a pretty penny to call this place home. Residents and tourists alike are finding it hard to relax when they're getting taxed to the max. Hawaii has some of the highest tax rates in the country on everything from alcohol to gas, and Governor Abercrombie seems keen on increasing taxes even more—to the tune of \$600 million. Hawaii's taxpayers pay an average of \$0.60 more for gas than the national average. In addition to paying more for gas, soon the vehicle weight tax will double and the annual vehicle registration fee will increase by 80 percent. But that's not all folks: a plethora of new taxes have been introduced by the legislature this year sure to lighten the load in your back pocket.

## Corporate Welfare?

Lots of things change over the course of a decade. One of those things is commodity prices—and in the case of scrap metal, that value has skyrocketed over the years. A decade ago, Honolulu created a subsidy for scrap metal companies, granting companies such as Schnitzer Steel an 80 percent discount on tipping fees the city would typically charge to dump scrap metal dregs at the Waimanalo Gulch Landfill in Nanakuli. That equates to approximately a \$2 million yearly subsidy for Schnitzer Steel. With profits of \$486 million in the last

three years, it is extremely difficult to justify this exemption any longer. It's time for the city to rescind this subsidy and make junk metal companies pay their fair share—instead of making taxpayers cough up \$2 million a year to subsidize highly profitable companies.

## Historic Homes:

Hawaii has a rich and diverse cultural history—stories of kings and queens, palaces, and stately mansions never cease to fascinate. But how fascinating is it that in an effort to maintain historic homes, those old beautiful houses filled with history and charm, the city grants tax subsidies to millionaires? The Revised Ordinances of Honolulu Section 8-10.22 exempts, “historic residential real property dedicated for preservation,” from paying full property taxes. To be granted the tax exemption, an individual must certify that he or she cannot afford the regular tax on the property but that, “the current level of taxation is a material factor which threatens the continued existence of the historical residential property.” There are 240 historic homes listed on Oahu, most of which are owned by individuals who own additional properties—and who certainly should be paying their fair share of taxes. An analysis of these homes taken from tax records estimates the total tax paid at \$88,005, while the regular tax would have been \$927,475—an \$839,470 loss of revenue to the state.



# THE EDUCATION

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# Stealing from Children

Dishonesty of any kind is appalling, but stealing from children's education is the worst kind of larceny, especially when one considers the dismal state of public education in Hawaii. According to the College and Career Readiness Indicators report from the Hawaii P-20 Partnerships for Education, more than 30 percent of all students graduating from Hawaii public schools who enrolled in the University of Hawaii system required remedial instruction in math or English.

So imagine finding out some of the same individuals (formerly) employed by our public school system had been stealing from the Department of Education and the schools they work at—stealing from our children! One woman was arrested for stealing \$69,000 from the school by cashing checks written to herself on the school account. Another DOE employee, a Pearl City school secretary, stole more than \$13,000 from Lehua Elementary School. Her punishment? 450 hours of community service and a note of apology. Another individual went on a shopping spree for a period of four years, buying tires, a plush new bed, fun electronics, apparel, food, and alcohol—brazenly shopping on your tax dollars!

How is it possible that the Department of Education remained blind to such rampant employee theft and fraud for so long? When

should alcohol ever be purchased with a school's credit card—an account paid for with taxpayer dollars? Investigations found that this abuse of the public trust in our schools had been occurring since 2004, culminating in years of zero accountability from the DOE.

How many pundits and politicians have wondered why our schools are under-performing? Here's a hint for the future: when fraud, theft, and abuse of trust go undiscovered for years because our public schools are not held accountable to anyone, it is the children who will suffer most.

## Year of the Furlough

In Fiscal Year 2009 (which could be called “The Year of the Furlough”) the Department of Education paid \$4,475.00 to the Harvard Change Leadership Group for Title IIA Principal Professional Development. The Change Leadership Group (CLG) was created in 1999 from a “generous” grant from the Bill and Melinda Gates Foundation, and is part of the Harvard Graduate School of Education. (Harvard has one of the largest endowments in the country, and the same year the CLG was founded, the Harvard Graduate School of Education completed a capital campaign of \$111 million—the highest ever for a school of education.)

And what professional development insights are available to Hawaii's principals from the Harvard CLG? The organization

stresses an “Ecology of Change framework” which is meant to cure educational inequity by, “helping students learn and grow,” and help educational leaders to initiate, “the substantial reinvention of our schools,” evidently through “collaborative leadership” and “instructional improvement.” In the jargon-heavy justification of the CLG’s mission, it is conceded that such monumental change develops very slowly. Unfortunately, children don’t. And neither do budget increases.

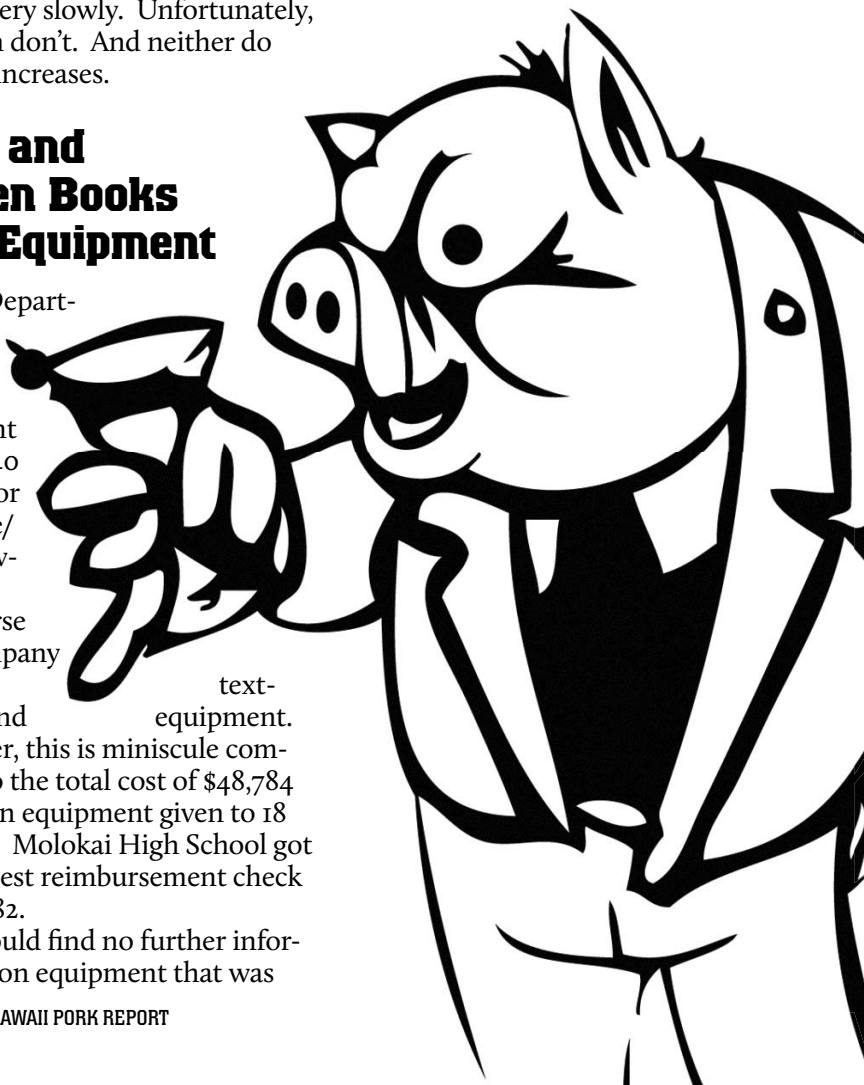


stolen from Molokai High School. However, Mililani High School, which received \$3,524, clarified that multiple computers were stolen a few years ago. Mililani Principal, Dr. John Brummel stated that they installed a camera system to prevent this from happening again. Perhaps other schools may also take preventive measures to lessen the chances of further theft.

## Lost and Stolen Books and Equipment

The Department of Education has spent \$2,999.40 to vendor Glencoe/McGraw-Hill to reimburse the company for lost text-books and equipment. However, this is miniscule compared to the total cost of \$48,784 on stolen equipment given to 18 schools. Molokai High School got the biggest reimbursement check of \$13,482.

We could find no further information on equipment that was





# PARKS AND RECREATION



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## **Art & Culture Pay Their Dues**

The State Foundation of Culture & Arts (one of the many divisions of the Department of Accounting and General Services) spent \$22,130 on Dues and Subscriptions to the Western State Arts Federation (WESTAF). And what does WESTAF offer Hawaii that is worth \$22,130 to the state taxpayers? Its purpose is to strengthen the arts in the Western region of the U.S. by holding meetings, workshops, and symposia. (Including an Annual Cultural Policy Symposium to be held in Honolulu in November 2011—in conjunction with the Asia-Pacific Economic Cooperation Leaders' Meetings.) And (in an echo of the state's previous experiences with sophisticated online granting platforms for small state agencies) WESTAF sells a software platform for state agencies to manage online granting, which the State Foundation of Culture & Arts has adopted as the Ko'o Hana No'eau Electronic Grants System. Why don't lovers of art pay for this?

## **Paying (to Promote) the Piper**

The Department of Business, Economic Development, & Tourism must really enjoy watching the Grammy Awards. Every year, they spend several thousand dollars promoting the Best Hawaiian Music Album of the Year category at the Grammy Awards, evidently

on the theory it is supporting the growth of the Hawaiian Music industry. In 2010, \$9500 was awarded to 4 Miles LLC (a production company) to organize a forum to, "support the growth of Hawaii's music industry and its Grammy category for Best Hawaiian Music Album of the Year at the Na Hoku O Hawaii Music Festival."

Interestingly, the Na Hoku O Hawaii Music Festival was funded by a \$150,000 grant from the Hawaii Tourism Authority and created in partnership between the HTA, the Hawaii Academy of Recording Arts and Sciences, and 4 Miles LLC. As a side note, with the exception of 2005 (the first year that the Best Hawaiian Album Grammy was awarded), either Tia Carrere or Daniel Ho has won the Hawaiian Album Grammy every year (with a joint win in 2008 for their collaboration on Ikena). Why doesn't the piper play?

## **Saddled With More Spending**

Continuing with their unique approach to encouraging business opportunity in the Islands, the Department of Business and Economic Development awarded \$9000 to the World Invitational Hula Festival to encourage a career in saddles. Or, more specifically, "services related to planning and implementation of saddle-making workshops that provide business and mentorship training to young adults" on the Big Island. Hawaii is at pains to preserve its paniolo cul-

ture, and the number of saddlers who are knowledgeable about traditional techniques is dwindling. But saddle-making hasn't been a "growth industry" in the islands for quite some time, so this seems like yet another attempt to disguise tourism development as youth outreach and have saddlers let taxpayers pay to seat their butts. No ifs, and, or buts about that!

## **Paying for PBS**

How much do you love Sesame Street and Ken Burns?

The 2012 Federal Budget basic appropriation for the Corporation for Public Broadcasting is currently \$451 million. (Though this expenditure is often—and currently—a matter of debate and controversy in Congress and the above figure includes a \$6 million increase proposed by President Obama.) But that doesn't mean the Hawaiian citizens pay only once for access to Elmo.

The Hawaii Public Television Foundation (also known as PBS Hawaii) also gets a hefty payment from the state coffers. In 2010, their contract award (made through the Department of Commerce and Consumer Affairs' Cable Television Division) was \$3,100,000.

And, there are of course, donations. PBS Hawaii states that they do not receive state or country tax dollars, which is true, if slightly disingenuous. Cable companies in Hawaii are required to pay a franchise fee to the state, and PBS Hawaii receives a percentage of that franchise fee. As Time Warner is

currently the only cable operator in the Islands, the \$3.1 million reflects PBS Hawaii's payment from the franchise fee. (And Time Warner, of course, passes on the costs of doing business in Hawaii—including state fees and taxes—on to the consumer. Make no mistake; we pay for taxes on businesses.)

Of course, PBS Hawaii's contract award is not meant only to provide Hawaii with the standard nationally-available PBS programming. It also brings us local programming like *Leahey and Leahey* and *Long Story Short with Leslie Wilcox*. Unfortunately, viewership numbers for PBS programming are not readily available. It's publically funded so shouldn't these numbers be publically available?

## **Artful Spending**

With a few notable exceptions (the statue of King Kamehameha comes to mind) public art projects tend to go unnoticed. But that doesn't mean they don't come with a considerable price tag. Consider these expenditures from the Hawaii State Foundation on Culture & the Arts' Annual Report on the Art in Public Places Program:

- \$175,000 for *Water: A Point of Departure* by Carol Bennett, a sailcloth mural 8 feet by 39 feet commissioned for the Pier 2 Cruise Ship Terminal.
- \$200,000 for *Mamalahoe* by Nicholas Bleeker, an abstract granite and bronze sculpture meant to commemorate Kamehameha's "Law of the Splintered Paddle" and symbolize family

unity under the law. It stands outside the entrance to the Hale Kaulike building in the Hilo Judiciary Complex.

- \$400,000 for Kahu O Ka Wai Olo O Hilo (Guardian of the Life Giving Waters) by Sean K. Browne. Also commissioned for the Hilo Judiciary Complex, this is an abstract statue in black granite meant to represent two “hands,” and is said to, “guard the life-giving waters of Hilo.”

- \$87,019 for Puino Kolu O Hina (Three Winds of Hina) by Alapai Hanapai, a basalt sculpture commissioned for Kaunakakai Civic Center.

- \$1,495,000 for renovation on Aquarius, the glass mosaic by Tadashi Sato that adorns the State Capitol.

- \$225,000 for Mamalahoe by Viliami Toluta’u, a bronze sculpture depicting two fishermen and a child, evoking a legend of Kamehameha the Great, and symbol-

izing the balance of the prosecution and defense in the judicial system. It stands outside Abner Paki Hale in Kane’ohe.

- \$254,054.58 for more than 125 “Relocatable Works of Art Purchases.” Have you been enjoying all this?

## Waimea Trail

Residents of Waimea on the Big Island are split over the county’s proposition to build a 4.6 mile trail along the Waikoloa Stream. The project, entitled Waimea Trails and Greenways, was suggested to enhance the beauty of the county, increase walkability, and promote alternative means of transportation. The idea was first brought to the attention of county leaders in 1994 by the Waimea Main Street community organization. The project is anticipated to cost

around \$18 million, to be funded by both



county and federal taxes.

Many residents of Waimea are opposed to the building of this recreational trail for fear of heavy environmental damage and the anticipated costs. The county is proposing to finance the project with the use of Transportation Enhancement funds, which have been set aside under the U.S. Department of Transportation budget to be used exclusively for the creation of alternative routes of transportation.

Residents opposed to the construction of the trail cite environmental worries as their primary reason for opposition. Some of their most feared environmental concerns include increased flooding, soil erosion, stream and ocean pollution, and the destruction of local plant life. The county must obtain environmental approval from the federal government before receiving funds, but the county ultimately decides whether environmental concerns have been properly addressed.

During an interview with Bobby Command, West Hawaii executive assistant to Mayor Billy Kenoi, Mr. Command admitted that views on the environment are subjective, but that ultimately if the federal government gives the project the green light, the county will not stand in the way of the trail's progress. If the trail was such a good idea, why not open the project for bid by the private sector which would charge enthusiastic users and absorb the liability?

## The High Cost of Marketing

The Kona Coffee Council (KCC) received nearly \$10,000 in 2009 from the Hawaii Department of Agriculture in Matching Marketing Funds awards. KCC is an organization of Big Island Kona coffee farmers whose mission is to promote Kona coffee across the nation and around the world.

The organization received \$7,500 in subsidies from the DoA to use towards the creation of a promotional DVD about Kona coffee. The idea was to create a DVD that could be shown at all Specialty Coffee Association of America (SCAA) trade shows and conferences across the nation.

Whether KCC ever made the DVD is a mystery because the DoA is not obligated to assure that the funds given are put towards their suggested intentions, and the president of the KCC did not reply to multiple requests for comment or explanation. The Marketing Fund award essentially pays half the bill for the recipients of the award with taxpayer money.

The KCC was able to get the DOA to provide 50 percent of the funds needed to put on a free-to-the-public Kona Coffee Expo at the Hoku Amphitheater during the summer of 2010. The event was free to the public in theory only – \$2,000 of taxpayer money funded the event. Maybe we could all afford a little more Kona Coffee if we didn't have to fund marketing expenses too – and what about those taxpayers who don't drink coffee?



# **CITY AND COUNTY GOVERNMENT**

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## Two for One Special

The Maui County Cost of Government Commission's annual report for 2009-2010 found a stunning series of inefficiencies in the management of the County's Vehicle Fleet. The report revealed an excess of vehicles, showing that for every two employees, there is one small vehicle (defined as a car, SUV, pickup, or van) within the fleet. In addition, despite the City's informal "no growth" policy, Maui County's passenger vehicle fleet grew by 13.4 percent between FY2005-06 and FY 2007-08. The Commission suggested that if the county implemented a Two-Year "Comprehensive Vehicle Control and Cost Reduction Plan" to deal with the excess of vehicles, established "Clear Guidelines for Fleet Retention and Reduction", and froze the purchase of new vehicles, the county could save up to \$24.3 million.

In a survey of Maui's Department of Management, the Maui County Cost of Government Commission also found that by reorganizing the department and splitting it into two separate departments, the second being the Department of Information Technology, they could have saved an estimated \$44,354 of their operating budget in Fiscal Year 2010.

## Something Smells Bad In the Sewage System

Delays in sewer repairs and a failure to heed past Environmental

Protection Agency warnings have resulted in a \$1.6 million fine for the state of Hawaii. This is on top of the cost of the stalled upgrades for the sewage system. Even after being informed by the EPA that it was breaking the law by not processing sewage twice before releasing it, the City of Honolulu neglected to upgrade its Honolulu and Sand Island wastewater treatment plants as the Clean Water Act required. In addition to contaminating the beautiful waters of the Pacific, this procrastination has compounded the \$1.2 billion upgrade costs with a hefty fine that will ultimately be borne by the taxpayers, but not by those who were guilty of negligence because no one has identified them. Should the mayor pay?

## Thanks for Covering the Tab

Honolulu City Councilman Rod Tam was recently caught spending as much as \$22,000 in taxpayer funds from his City Council allowance in order to purchase hundreds of meals for family members and political constituents. While fellow council chairman Todd Apo pointed out that a city ethics commission had caught and censured Mr. Tam, he also noted "these types of things happen." Even after being fined for his ethics violations and forced to pay \$11,700 in taxpayer money, Tam had the audacity to run for mayor. What makes him think he is fit to run a city's finances when he can't even handle his own?



## Pot of Gold?

Governor Neil Abercrombie must believe there's a pot of gold at the end of all the rainbows we have here. Otherwise, how could he have signed off on the rail project, which an independent study estimated will cost an additional \$1.725 billion over the original \$5.269 billion price tag? Mayor Peter Carlisle announced that approval had been given by the Federal Transit Administration to begin construction of the monumental project; despite not knowing exactly how much it will cost, nor how this project is to be funded.

If history is any indication, Hawaii's taxpayers better keep an eye on their wallets. Interstate H-3 was approved in 1960, but didn't open to traffic until 1997. Though originally projected to cost only \$250 million, it ended up costing taxpayers over 500 percent more than that-- \$80 million a mile, at \$1.3 billion total. If we compare the projected vs. the actual cost of the H-3 to the rail project, we are looking at a projected cost of \$6.994 billion that may end up costing taxpayers \$36,369 billion. Wow. If that happens, who will be held accountable?



# **STATE GOVERNMENT**

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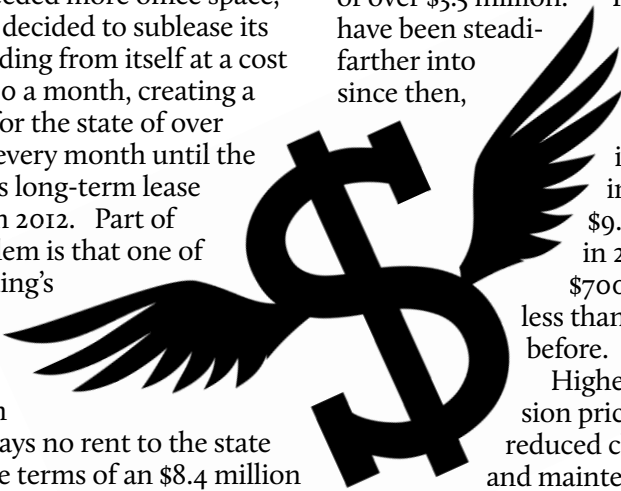
## Pay a Mortgage and Rent the Same Building?

Mismanagement and lack of planning means the State of Hawai'i will suffer a net loss of over \$1 million over the next two years in order to sublease a building it already owns. The building, located on 3239 Ualena St. near the airport, was originally purchased by the state in the 1990s and generates \$16,966 a month for the state from the long-term leaseholder, Warehousing Co. It also collects an additional \$12,447 a month from the Hawaiian Sea Life marine center, which sublets the building. However, after deciding that it needed more office space, the state decided to sublease its own building from itself at a cost of \$73,000 a month, creating a net loss for the state of over \$43,000 every month until the building's long-term lease expires in 2012. Part of the problem is that one of the building's tenants, Parsons Transportation Group, pays no rent to the state under the terms of an \$8.4 million contract to improve the nearby Honolulu International Airport. In any case, the state's sudden change of heart will cost Hawaii taxpayers dearly. Isn't it interesting to contemplate the "state" doing this? The fact is that the "state" cannot act, the state is comprised

of individuals, people like you and I, and these individuals must ultimately be held responsible.

## Center of Ridicule

Past cost commitments and maintenance fees for the gargantuan Hawai'i Convention Center have warranted an equally enormous special fund for the state's Hawai'i Tourism Authority. Located on the corner of Kapiolani Blvd and Kalakaua Ave, the complex has been losing millions of dollars every year since it opened in 1998 and is still struggling to pay off the bonds used to fund construction costs topping \$200 million. In 2007 alone, the building experienced an operating loss of over \$3.5 million. Revenues have been steadily slipping farther into the red since then, with the building grossing only \$9.5 million in 2009, \$700,000 less than the year before. Higher concession prices and reduced cleaning and maintenance have done little to cut the building's overall costs, and a steady stream of taxpayer money is still needed every year to keep the center afloat. A special fund for the Hawaii Tourism Authority recently set aside \$54 million dollars in earmarked funds for



the convention center, \$26 million of which will simply pay off the bonds issued in order to construct the 1.1 million square feet facility. Twelve years later, it seems the state's taxpayers must still shoulder the burden of creating and running this financial headache. Who benefits, if anyone except government and its contractors, from this seemingly bottomless pit eating taxpayer money?



was the first in the nation constructed with the ability to change configuration, is now locked into position for a football field due to the age of the equipment. Construction will be adding sky boxes and thousands of seats to the stadium even as the government undergoes statewide furloughs; all told, this equates to one big fumble. At

least in football it is apparent who fumbled. In this case everyone involved points to others in an endless series of blunders. Yet in the end it is the taxpayer who is held accountable. Why?

## The Finances of Football

Aloha Stadium is an icon in Hawaii, and home of the beloved Hawaii Warriors. Yet it also drains millions of dollars a year from the state budget. An estimated \$185 million will be spent over the next six years feeding a lifeline to Aloha Stadium to keep it running for another 20 years.

The supposedly “rust-resistant” material used during the construction of the stadium couldn’t withstand the salt-filled trade winds of Hawaii—the state will need to once again treat the steel structure for corrosion, though an \$80 million treatment project was undertaken in the 1980s.

The building was also not constructed in compliance with the Americans with Disabilities Act, and has far fewer women’s restrooms than mandated for government structures. The field, which

## State funded credit cards

Hawaii state departments use a service called the “purchasing card program,” which requires executive agencies under each department to use these pCards for purchases under \$2,500. This card program, similar to a credit card, was initiated with the intent of “streamlining government purchases” by granting authority for purchases at the lowest level possible for efficiency. Accountability was lacking however, and recently the auditor labeled the program inefficient, lacking in oversight, and unbeneficial when compared to the administrative drain caused by the program.

With that being said, the State spends an annual fee to maintain

the pCard contract with First Hawaiian Bank. The top five state departments spent \$169,661,504 between the years of 2005 and 2009 with over 506,566 recorded transactions. The lack of oversight on spending in regards to these cards leaves a lot of room for suspicious behavior and excess spending. Taxpayers are being forced to support an inefficient program that increases the governments' ability to wastefully spend our tax payer dollars. Why would such a program be put in place without strict accountability and oversight requirements?

## Pay to Print

The Department of Agriculture was noted for spending \$18,192 on posters and rack cards for their Seal of Quality program. According to their records, they bought (20) 34x48 posters, (60) 27x36 posters and 5,000 rack cards. The high cost of this purchase seemed a little unbelievable, so we took it upon ourselves to ask the local Kinko's just how much this same purchase would cost at their location. Giving the DoA the benefit of the doubt, we asked for pricing at the highest value, meaning color print and gloss finishes. With all that said, the cost came to \$11,645, which is \$6,547 less than what the DoA recorded for their cost. Had the DoA stuck with the basic black and white ink and standard paper the cost would have only amounted to \$8,765—with a savings of almost \$10,000 to taxpayers.

## \$120 Million Spent on What?

Obama Care comes with a slew of freedom and constitutionality issues--not to mention outrageous costs--but not many people are aware of the federal health mandate already in effect here in Hawaii. Under the 1986 Compact of Free Association, Micronesia, Palau, and the Marshall Islands were all given free access to migration, education, and health care in the United States. (Caveat: America gave them these privileges because America nuked their islands. Not our finest moment.) So the people of those islands can live and work here like American citizens, and are granted many of the same rights and advantages without actually being U.S. citizens. Not a bad deal.

The issue that comes up, however, is that while Micronesians can go anywhere in the United States for these services, almost all of them come here to Hawaii. This is due in part to our relative proximity as well as our lovely weather (which mirrors their own). Imagine if you could get a better job, free education, and free health care—you would probably come to America as well. But it always, always comes back to the big question: What about the money?

“Hawaii's government spends more than \$120 million a year on services for the migrants, and the federal government provides only \$11 million to help cover the costs, according to the state Department

of Human Services.”

Read: Hawaii’s taxpayers pay more than \$120 million a year for services for people who aren’t even citizens. The federal government only compensates Hawaii for about 10 percent of that. Hawaii tried to cut back on migrant services to control costs, but was ordered to restore a more comprehensive health care plans. Whoops. Time to start digging deeper into your pockets, fellow taxpayers. It looks like Hawaii gets to pay a little extra for federal foreign policy decisions. Should this be taken to court, or do we keep paying?

## All in Favor of the Akaka Bill: Say “I”

All Hawaii residents are financially supporting the proposed Native Hawaiian Government Reorganization Act (commonly known as the Akaka Bill) whether they want to or not. Collectively, the taxpayers of Hawaii have helped fund nearly \$3.5 million worth of unsuccessful lobbying efforts in Washington, D.C. on behalf of the Akaka Bill since 1999 –over ten years of failed lobbying. The Akaka Bill was proposed by U.S. Senator Daniel Akaka, who hopes to acquire indigenous rights and federal recognition for Native Hawaiians, rights similar to those held by American Indians. The plethora of economic and social issues that would arise from such a policy begs the question: why copy failed policy? See [www.4hawaiiansonly.com](http://www.4hawaiiansonly.com) for some revealed costs.



# CONCLUSION

The 2011 Pork Report outlines just a fraction of the waste and abuse in Hawaii's state government. Hawaii's legislators must take immediate steps to handle the budget with responsible, long-term solutions that will not bankrupt future generations.

Hawaii still does not have fiscal notes on bills--a.k.a. cost estimates on legislation. Legislators routinely vote without knowing the current or future fiscal implications of a bill, spending the taxpayers' money with impunity. If they're not even taking responsibility for their voting decisions, how can our legislators take responsibility for our state?

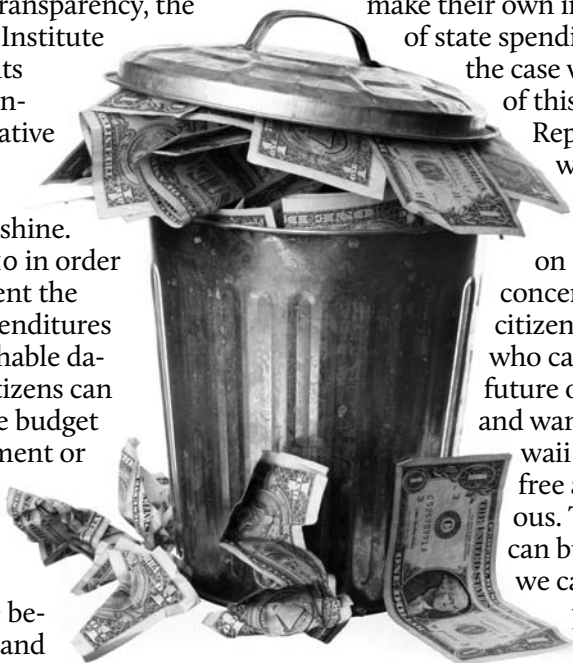
Seeking to fill a void in government transparency, the Grassroot Institute launched its Hawaii Sunshine initiative (viewable at [www.hawaiisunshine.org](http://www.hawaiisunshine.org)) in 2010 in order to document the state's expenditures on a searchable database. Citizens can browse the budget by department or keyword, discover where their tax dollars are being spent, and

hold the government accountable for its expenditures.

Increased accountability for the individuals in government is essential if Hawaii is to escape its budgetary woes. Many of the examples of waste profiled through our transparency initiatives are not high dollar figures, but they represent a mentality of blatant waste and carelessness with taxpayer dollars. Rest assured that this is only the tip of the iceberg. Increased individual accountability is only possible if the government holds itself accountable to its citizens.

Beginning in 2012, we will be launching the Citizen's Pork Report, a public awareness initiative that will encourage participants to make their own investigations

of state spending. As was the case with much of this year's Pork Report, much of what Grassroot investigates and reports on comes from concerned, active citizens such as you, who care about the future of this state and want to see Hawaii become more free and prosperous. Together we can build a Hawaii we can all be proud to call home.



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